

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3386

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LESS PERCENTAGE OF LOAN BY INDIAN BANK

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Will the Minister of FINANCE be pleased to state:

- (a) whether Indian banks provide a meagre amount as loan to their customers in comparison to other banks of the world;
- (b) if so, the percentage of the deposit amount given as loan to their customers during the last three years;
- (c) whether a guideline has been issued by the Government to increase the percentage of deposit amount given as loan to customers, and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d): data on loans and advances by commercial banks in other countries is not maintained by the Reserve Bank of India (RBI). However, banks in India endeavor to maximize advancing of loans to various customers within the socio-economic parameters, extant banking policy, field level realities etc. During the last three years the Credit Deposits Ratio (CDR) of Public Sector Banks (PSB) (including RRBs) is as follows:

(Amount in Rs.crore)

Year ended as 01 March 31 of All India average all sector

Deposit Credit CDR%

2005	1358760	848463	62.44
2006	1574664	1111474	70.58
2007	1918478	1425655	74.31

CDR is periodically reviewed by the Reserve Bank of India (RBI) for corrective action, where necessary.

The RBI have advised all the PSBs to achieve CDR of 60% in respect of their rural and semi-urban branches, separately on all India basis and to ensure that wide disparity in the ratio between different states/regions is avoided in order to minimize the regional and sectoral imbalances in credit deployment.

Pursuant to the recommendations in the Thorat Committee Report, the RBI had issued a Circular dated 9.11.2005 to the banks for implementing the revised parameters for monitoring % the CD ratio of banks at different levels. RBI had also advised the banks for setting up a Special Sub-Committee (SSC) of District Level Coordination Committee (DLCC) in districts having CDR of less than 40%, for monitoring and drawing up Monitorable Action Plan (MAPs) for improving CDR.